



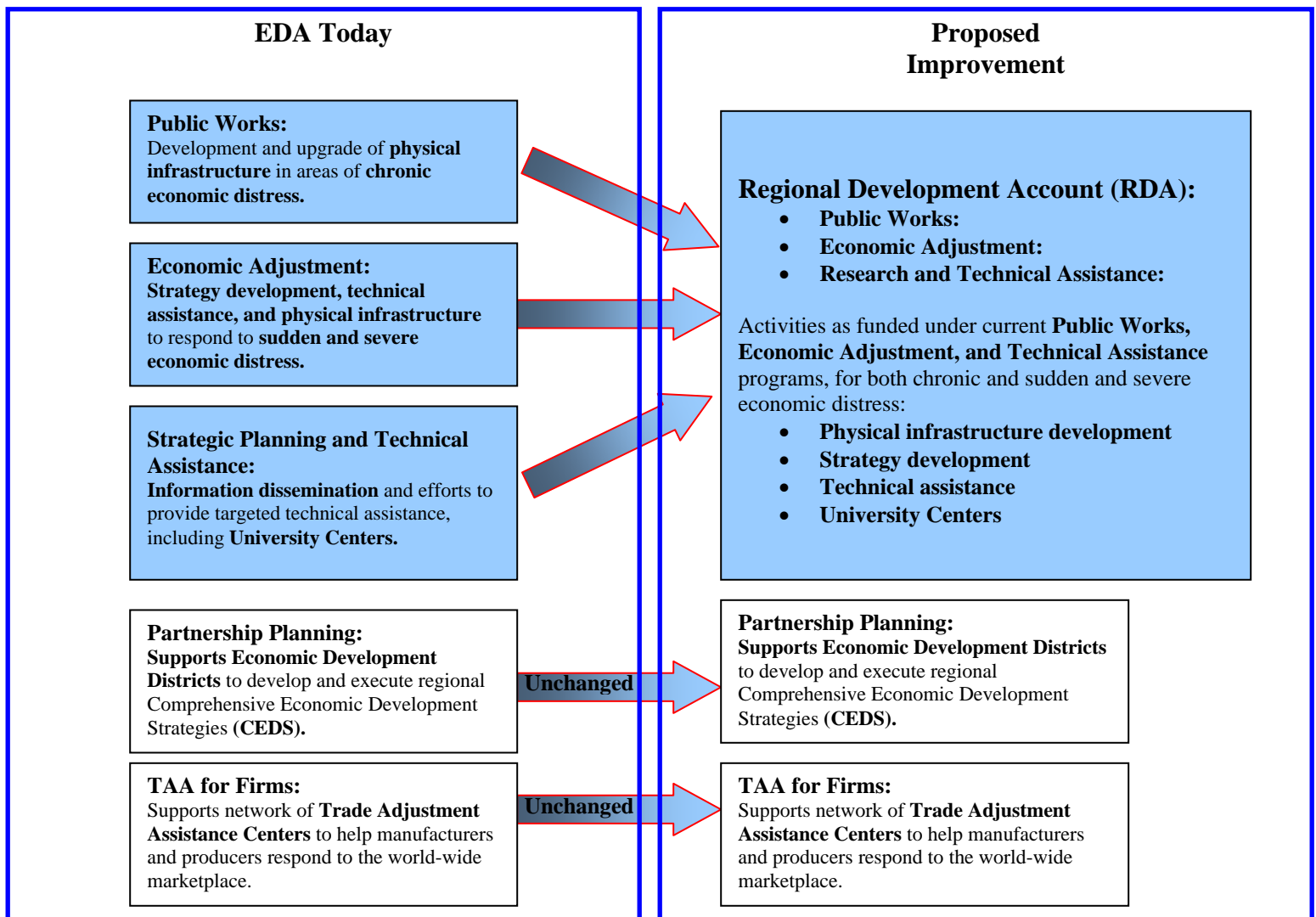
ECONOMIC DEVELOPMENT ADMINISTRATION REGIONAL DEVELOPMENT ACCOUNT (RDA)

What it Is...and What it Is Not

EDA is proposing the creation of a Regional Development Account (RDA) – an improvement to the way that it does business to better serve our customers.

What is the RDA? The RDA simply takes EDA three primary competitive investment programs (Public Works, Economic Adjustment and Technical Assistance) and combines them into a single, holistic account. This would allow any EDA investment grant to be used for Public Works, Economic Adjustment, Technical Assistance – or a combination of all three.

Why is the RDA being proposed? EDA's current separate silos of investment funding limits the flexibility of both the agency and, most importantly, our investment grantees. Economic development is a holistic enterprise, and EDA's current silos are anything but holistic in approach.



What the RDA IS:

1. ***Multiple Uses – 1 Grant***

It makes it easier to access EDA programs. Under the RDA, communities will be able to apply for multiple activities in a single EDA grant. One investment application. One approval. One set of reporting requirements. Yet recipients can use EDA funds for both Public Works and Technical Assistance.

2. ***Administrative Savings for Customers – and for EDA***

The beauty of being able to do multiple things with a single EDA grant is that it means less paperwork for applicants! Instead of applying for two grants, which means two applications, two approvals, two sets of reporting requirements, two set of EDA staff to keep informed, there would be only one grant and its associated requirements to keep on top of.

3. ***Local Control***

The RDA puts regional people, not Washington officials, in a better position to respond to regional economic development needs. While the current system requires EDA Headquarters to direct its regional offices on separate budget amounts for Public Works, Economic Adjustment and Technical Assistance, the RDA would allow EDA regional offices to determine such allocations based on the economic needs of their region.

4. ***Based on a Proven Concept***

RDA is not a new concept. The RDA is built upon EDA's proven and most popular program account. Today, EDA's Economic Adjustment Account has the flexibility to do both Public Works and Economic Adjustment, but the Economic Adjustment Account is only able to be accessed in response to a "sudden and severe" economic dislocation. The RDA turns all the competitive program funds administered by EDA's regional offices into a large Economic Adjustment Account, without the requirement of sudden and severe economic distress.

What the RDA IS NOT:

1. ***The RDA is not a mechanism to cut EDA funding***

The RDA makes sense regardless of the size of EDA's budget. In fact, the RDA was first introduced in President Bush's 2007 budget, which proposed a \$47 million increase for EDA. And, in 4 of the last 5 years, President Bush has proposed more funds for EDA than the Congress has appropriated.

2. ***The RDA is not going to reduce EDA's investments in small or rural communities***

EDA never had a set-aside for rural communities, yet makes over half of its investments in rural areas – and that will continue under the RDA.

3. ***The RDA will not put some states at an advantage over others***

There will be no change in EDA's longstanding commitment ensuring that no state can receive more than 10% of EDA's total funding per year.

4. ***The RDA does not touch the Partnership Planning Program***

Partnership Planning will remain as a separate, stand-alone program focused on supporting the Economic Development Districts.

5. ***The RDA will not impact the agency's commitment to Public Works projects***

Public Works infrastructure is where EDA gets our "bang for our buck" – job creation and private sector investment. We need these infrastructure projects in order to keep our performance results high, because that's how we are judged by OMB and the Congress.

6. ***The RDA will not alter EDA's investment selection criteria, investment processes, or focus on economic distress***

The RDA would in no way impact how EDA makes a grant, where EDA makes a grant, or the processes used to determine who gets an EDA grant. All of EDA's eligibility requirements would remain as is and our process, funding priorities, and investment policy guidelines all would remain as they do today.

7. ***The RDA would not impact in any way the funding allocation to EDA's regional offices***

The funding allocation to EDA's regional offices is a carefully crafted formula approved by Congress several years ago and that formula and methodology would be untouched by the RDA.